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For Immediate Release

March 12, 2014

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Congressman Miller Introduces Legislation to Stabilize the Housing Market and Ensure Home Financing for the Middle Class

WASHINGTON, DC- Congressman Gary Miller (CA-31) issued the following statement introducing the *Stabilizing FHA Loan Limit Calculations Act of 2014* (H.R. 4208), bipartisan legislation protecting the fragile housing recovery and ensuring individuals access to credit.

“For many families, home ownership is the embodiment of the American Dream,” said Congressman Miller. “This bipartisan legislation guarantees that thousands of first-time home buyers across the Inland Empire will have the opportunity to own a home by providing access to low down payment financing that is affordable. H.R. 4208 will also bring needed certainty to home buyers allowing the housing market to continue its fragile, but steady recovery.”

Over 650 counties throughout the country are facing substantial reductions in available mortgage credit due to the Federal Housing Administration’s (FHA) new lower loan limits. In late 2013, the U.S. Department of Housing and Urban Development (HUD) changed how it calculated the FHA loan limits for 2014 by reducing the Median Home Price (MHP) used in the calculation for many counties throughout the nation. This has led to reductions in loan limits by as much as 50 percent from the previous 2013 level. In California’s 31st district, loan limits were reduced 30 percent, which is estimated to affect one in four homes on the market. Furthermore, the loan limit process does not recognize variations in housing markets within counties causing further distortions in FHA loan limit determinations.

H.R. 4208 will address these unprecedented changes that are creating an environment of buyer and lender uncertainty by:

- Stabilizing the loan limit calculations by requiring that HUD use the MHP used to calculate the loan limit for the area be AT LEAST the Median Home Price that was used in 2013 to calculate the limit.

- Granting HUD Sub-Area authority to subdivide and adjust loan limits for different real estate markets within the same county.

Full text of the legislation can be found [here](#).

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